



Tourism Sector Performance Analysis in North Sulawesi: Challenges and Opportunities for Increased Visits

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Abstract

This research article analyzes the performance of the tourism sector in North Sulawesi, focusing on the challenges and opportunities that influence the increase in tourist visits. The study highlights the significance of tourism as a strategic sector for economic growth, community welfare, and cultural preservation. Utilizing a qualitative methodology, the research examines various performance indicators, including productivity, service quality, responsiveness, responsibility, and accountability. The findings reveal that while North Sulawesi has substantial tourism potential, it faces significant challenges such as inadequate infrastructure, limited market diversification, and low innovation in tourism products. The dominance of Chinese tourists underscores the need for a diversification strategy to attract visitors from other regions. The study concludes with recommendations for enhancing tourism management practices, improving service quality, and fostering collaboration among stakeholders to ensure sustainable growth in the tourism sector.

Keywords: Tourism Performance, Challenges, Opportunities, Sustainable Growth

1. INTRODUCTION

Tourism is one of the strategic sectors in supporting economic growth, improving community welfare, and preserving local culture. According to (Pendit, 2006) in his book *Tourism Science: An Introduction to Tourism*, tourism is not just a travel activity, but also a social, cultural, and economic phenomenon that involves complex interactions between tourists, local communities, and the environment. This makes the tourism sector have a significant contribution to regional development, especially for areas rich in natural and cultural uniqueness such as North Sulawesi.

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Regional development, the tourism sector is seen as one of the main drivers of the economy. As explained by (Mathieson, A., & Wall, 1982) tourism can create a multiplier effect that has an impact on various other sectors, such as hospitality, transportation, crafts, and culinary. North Sulawesi, with attractions such as Bunaken National Park, Lake Tondano, and various local cultural traditions, has great potential to drive the economy through tourism. To achieve this potential, a deep understanding of the challenges and opportunities faced by this sector is needed.

Data from the North Sulawesi Central Statistics Agency (BPS) shows that in 2019, prior to the COVID-19 pandemic, the number of foreign tourists visiting had reached 122,000 people, a significant increase compared to previous years. The majority of tourists are from China, followed by Singapore and other East Asian countries. This increase is inseparable from the existence of direct flights from Manado to several cities in China. However, the COVID-19 pandemic that has hit the world since early 2020 has had a major impact on this sector. In 2020, foreign tourist visits plummeted by 85%, while domestic tourist visits also decreased drastically (Badan Pusat Statistik Sulawesi Utara, 2021)

From the point of view of sustainable development theory, tourism must not only focus on economic aspects but also must pay attention to environmental and social aspects. (Butler, 1980) in the *Tourism Area Life Cycle (TALC)* theory states that every tourist destination has a life cycle that includes stages of exploration, development, consolidation, stagnation, to the possibility of decline or rejuvenation. North Sulawesi is currently in the development phase, where there is increased investment and attention to this sector. Without good management, the risk of stagnation or even decline can occur due to environmental and social pressures. Major challenges such as the lack of adequate tourism infrastructure, limitations in effective destination promotion, and dependence on the foreign tourist market are obstacles that need to be overcome. In a study conducted by (Dwyer, L., Forsyth, P., & Rao, 2009), the success of the tourism sector is highly dependent on the competitiveness of destinations, which includes accessibility, quality of tourism products, and the effectiveness of marketing strategies. North Sulawesi, despite its great potential, must increase its competitiveness.



Figure 1. Development of the Number of Foreign Tourist Visits in 2022-April 2024 (Source: Official Statistical Bulletin No. 39/06/71 Th. XVIII, 03 June 2024)

1. This study aims to: Analyze the current performance of the tourism sector in North Sulawesi based on key indicators such as productivity, service quality, responsiveness, responsibility, and accountability.
2. Identify major challenges faced by the tourism sector in North Sulawesi, particularly in terms of infrastructure, market diversification, and innovation.
3. Explore opportunities for increasing tourist visits, including potential market expansion and service quality improvements.
4. Provide strategic recommendations to enhance tourism management and promote sustainable growth in North Sulawesi's tourism sector.

2. RESEARCH METHODS

This research uses a qualitative method, as explained by (Sugiyono, 2017), where qualitative research aims to understand the phenomena that occur in depth through descriptive analysis. This approach is very relevant to analyze the performance of the tourism sector in North Sulawesi, especially in identifying challenges and opportunities to increase tourist visits. The data analysis model used refers to (Miles, B Matthev; Huberman, 2014), which involves three main stages, namely *data reduction*, *data display* and *conclusion drawing/verification*.

Data collection method involves library research, which involves reviewing a variety of literature, including books, journals, scientific articles, official reports, and statistical data from related institutions, including the Central Statistics Agency (BPS). This literature study aims to collect relevant information regarding tourism performance, policy implementation, and challenges and opportunities faced by North Sulawesi in the development of the tourism sector. The data obtained is then systematically analyzed using predetermined theories and concepts to provide a comprehensive and in-depth overview of this research topic.

3. RESULTS AND DISCUSSION

3.1 Data Description or Result

This chapter presents the results of an analysis of the performance of the tourism sector in North Sulawesi based on data obtained from various sources and relevant literature reviews. The discussion focused on identifying the challenges and opportunities faced by the tourism sector in an effort to increase tourist visits. The results of the study were analyzed using the performance indicators of public sector organizations expressed by (Dwiyanto, 2006a), namely productivity, service quality, responsiveness, responsibility, and accountability.

Through this approach, the discussion not only focuses on the actual performance of the Tourism Office, but also on internal and external factors that affect the management of the tourism sector in North Sulawesi. This analysis is expected to provide a comprehensive overview of the current state of tourism as well as strategic opportunities to drive sustainable growth of this sector. The performance of the tourism sector in North Sulawesi can be analyzed through data on the number of foreign tourist visits based on nationality in April 2024 (Table 1). This data provides an overview of each country's contribution to total tourist visits, which is one of the productivity indicators in tourism performance.

Table 1.
Number of Foreign Tourist Visitors in North Sulawesi Province by Nationality in April 2024

It	Nationality	April 2024	Percentage (%)
1	China	2.374	68,79
2	Germany	197	5,71
3	Singapore	103	2,98
4	America	94	2,72
5	France	91	2,64
6	Netherlands	58	1,68
7	Australia	50	1,45
8	English	43	1,25
9	Malaysia	41	1,19
10	Japan	24	0,70
11	Taiwan	23	0,67
12	Philippines	9	0,26
13	India	7	0,20
14	South Korea	6	0,17
15	Thailand	5	0,14
16	Russia	3	0,09
17	Hongkong	1	0,03
18	Other	322	9,33
	Total	3.451	100,00

(Source: Official Statistical Bulletin No. 39/06/71 Th. XVIII, 03 June 2024)

From the table, it can be seen that tourists from China dominate the visit with a total of 2,374 people or 68.79% of the total visits. This shows the success of the promotion strategy and direct flight connectivity from China to North Sulawesi, especially through Sam Ratulangi International Airport. However, the contribution of other countries such as Germany (5.71%) and Singapore (2.98%) is still relatively low, indicating that there is market potential that has not been maximized.

This condition highlights challenges related to the diversification of the tourist market, especially from countries with small contributions such as Japan (0.70%), Australia (1.45%), and other ASEAN countries. It is also a strategic opportunity to expand promotions into new international markets and improve service quality to attract more tourists from different countries.

The next discussion will link this data with other indicators such as service quality, responsiveness, responsibility, and accountability, in order to provide a more comprehensive analysis related to the challenges and opportunities of the North Sulawesi tourism sector.

3.2 Discussion

Productivity

Productivity measures the efficiency and effectiveness of the use of resources to produce certain results (Sickles, 2019). North Sulawesi Tourism, productivity can be measured through the quantity of international visitors compared to the investment spent on the promotion and development of the destination.

Based on Table 1, foreign tourists visiting in April 2024 reached 3,451 people, with the largest contribution coming from China (68.79%). This dominance shows that tourism promotion focused on the Chinese market has yielded significant results. The availability of direct flights from China to Manado, which facilitates visitors' access, further supports this. Visits from other countries such as Germany (5.71%), Singapore (2.98%), and Malaysia (1.19%) are still low. The productivity of the tourism sector in North Sulawesi is still concentrated in one tourist source country. Based on Dwiyanto's theory, the success of productivity must include an even distribution of results, so the focus of promotion

should be expanded to other potential markets such as ASEAN and Western Europe. Investments directed at diversifying the tourism market can increase the productivity of the tourism sector as a whole.

Quality of Service

The quality of service reflects the ability of destination managers to provide experiences that meet the needs and expectations of travelers (Berry, Parasuraman dan Zeithaml, 1985). In North Sulawesi, the quality of service includes cleanliness, comfort, and safety in tourist destinations, such as Bunaken and Likupang, which are the main attractions.

A tourist satisfaction survey by the North Sulawesi Tourism Office shows that although tourists are satisfied with the beauty of nature, there are still complaints related to the cleanliness of public facilities and the lack of supporting facilities such as tourist information. The presence of plastic waste poses a threat to the cleanliness of beaches and coral reefs in certain regions, highlighting deficiencies in environmental management practices.

According to the theory of service quality (Berry, Parasuraman dan Zeithaml, 1985), tourist satisfaction is influenced by five main dimensions: reliability, responsiveness, guarantee, empathy, and tangibility. In this case, the Tourism Office needs to improve the quality of tourism infrastructure and provide training to local tourism actors so that the services provided can meet international standards.

Responsiveness

Responsiveness measures the ability of organizations to respond to the needs and complaints of the community quickly and appropriately (Chouinard & Cram, 2020). In the North Sulawesi tourism sector, responsiveness can be seen from handling tourist complaints and adapting to their needs.

Although Chinese tourists dominate the visit, many destinations do not provide facilities with information in Chinese, making it difficult for them to understand information about tourist attractions. Responses to tourist complaints related to damage to facilities or garbage at tourist sites are often slow due to a lack of coordination between destination managers and local governments.

Good responsiveness reflects the organization's ability to understand the needs of the community (Dwiyanto, 2006b). The Tourism Office needs to increase its response capacity by providing online complaint services, improving the ability of tourism officers to handle problems, and utilizing digital technology to provide information quickly and accurately.

Responsibility

Responsibility reflects the organization's responsibility for the social and environmental impacts of its activities (Kälin & Künzli, 2019). In North Sulawesi tourism, this is related to the preservation of the environment, local culture, and the empowerment of local communities (Karauwan, & Gumolili, 2023). The existence of tourist destinations such as Bunaken and Likupang has great potential to increase the income of local communities through ecotourism. Excessive tourism exploitation can damage ecosystems and threaten the sustainability of tourism. Some reports suggest that uncontrolled diving activity has damaged the coral reefs in Bunaken, while many local communities have not been fully involved in the management of the destination.

According to the theory of sustainable development (*Sustainable Development*), the responsibility of tourism managers is to ensure that tourism activities are not only economically profitable, but also maintain environmental and social balance. Collaboration between governments, local communities, and the private sector must be enhanced to create responsible tourism

Accountability

Accountability refers to the ability of an organization to account for all actions and decisions to interested parties (Bovens & Zouridis, 2014). In the context of North Sulawesi tourism, accountability can be seen from the transparency of the management of the tourism promotion budget and performance reporting to the public. Although the budget allocation for tourism promotion increases every year, the transparency of budget use is still in the spotlight. The lack of public reporting on the results of promotional activities or destination development makes it difficult for local communities and business actors to assess the real impact of government policies. Dwiyanto emphasized that accountability is the key to building public trust.

The North Sulawesi Tourism Office needs to increase transparency through regular reporting that is easily accessible to the public. Community involvement in the planning and evaluation of tourism programs will strengthen accountability and public participation.

4. CONCLUSION

The five indicators used to assess the performance of the North Sulawesi tourism sector show that there is great potential that has not been fully maximized. Productivity still depends on one country of tourist source, while service quality, responsiveness, accountability, and accountability need to be improved to achieve more sustainable and inclusive tourism management. This improvement effort requires a strategic approach that involves all stakeholders, including the government, local communities, and the private sector.

Through this approach, the discussion not only highlights the performance of the North Sulawesi Tourism Office, but also internal and external factors that affect the management of the tourism sector. This analysis is expected to provide a comprehensive overview of the current state of the tourism sector as well as strategic opportunities to encourage sustainable growth

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